

WELL ABANDONMENT REPORT

This form is to be submitted as an Intent to Abandon whenever an abandonment is planned on a borehole. After the abandonment is complete, this form shall again be submitted as a Subsequent Report of the actual work completed. The approved intent shall be valid for six months after the approval date, after that period, a new intent will be required. Attachments required with the Intent to Abandon are wellbore diagrams of the current configuration and the proposed configuration with plugs set.
 A Subsequent Report of Abandonment shall indicate the actual work completed. Attachments required with a Subsequent Report are a wellbore diagram showing plugs that were set and casing remaining in the hole, the job summaries from all plugging contractors used, including wireline and cementing (third party verification) and any logs that may have been run during abandonment.

Document Number:
402053187

Date Received:
05/28/2019

OGCC Operator Number: 10651 Contact Name: Heather Mitchell

Name of Operator: VERDAD RESOURCES LLC Phone: (720) 845-6917

Address: 5950 CEDAR SPRINGS ROAD Fax: _____

City: DALLAS State: TX Zip: 75235 Email: Regulatory@VerdadOil.com

For "Intent" 24 hour notice required, Name: Evins, Bret Tel: (970) 420-6699

COGCC contact: Email: bret.evins@state.co.us

API Number 05-123-05631-00

Well Name: BENNER Well Number: 1

Location: QtrQtr: NWSW Section: 23 Township: 9N Range: 60W Meridian: 6

County: WELD Federal, Indian or State Lease Number: _____

Field Name: WILDCAT Field Number: 99999

Notice of Intent to Abandon Subsequent Report of Abandonment

Only Complete the Following Background Information for Intent to Abandon

Latitude: 40.733871 Longitude: -104.066405

GPS Data:
Date of Measurement: 03/20/2019 PDOP Reading: 0.9 GPS Instrument Operator's Name: Taylor Onley

Reason for Abandonment: Dry Production Sub-economic Mechanical Problems

Other Re-Entry P&A COA To Frac Rohn 14A Pad

Casing to be pulled: Yes No Estimated Depth: _____

Fish in Hole: Yes No If yes, explain details below

Wellbore has Uncemented Casing leaks: Yes No If yes, explain details below

Details: _____

Current and Previously Abandoned Zones

| Formation | Perf. Top | Perf. Btm | Abandoned Date | Method of Isolation | Plug Depth |
|-----------|-----------|-----------|----------------|---------------------|------------|
| J SAND | 7000 | 7285 | 11/29/1952 | CEMENT | 7105 |

Total: 1 zone(s)

Casing History

| Casing Type | Size of Hole | Size of Casing | Weight Per Foot | Setting Depth | Sacks Cement | Cement Bot | Cement Top | Status |
|-------------|--------------|----------------|-----------------|---------------|--------------|------------|------------|--------|
| SURF | 13+3/8 | 10+3/4 | 32.25 | 226 | 140 | 220 | 0 | CALC |
| OPEN HOLE | 7+7/8 | | | 7,315 | | | | |

Plugging Procedure for Intent and Subsequent Report

CIBP #1: Depth _____ with _____ sacks cmt on top. CIPB #2: Depth _____ with _____ sacks cmt on top.
 CIBP #3: Depth _____ with _____ sacks cmt on top. CIPB #4: Depth _____ with _____ sacks cmt on top.
 CIBP #5: Depth _____ with _____ sacks cmt on top.

NOTE: Two(2) sacks cement required on all CIBPs.

| | | |
|---|-----------------------------|--|
| Set <u>10</u> sks cmt from <u>7285</u> ft. to <u>7251</u> ft. | Plug Type: <u>OPEN HOLE</u> | Plug Tagged: <input type="checkbox"/> |
| Set <u>30</u> sks cmt from <u>7105</u> ft. to <u>7003</u> ft. | Plug Type: <u>OPEN HOLE</u> | Plug Tagged: <input type="checkbox"/> |
| Set <u>10</u> sks cmt from <u>7000</u> ft. to <u>6966</u> ft. | Plug Type: <u>OPEN HOLE</u> | Plug Tagged: <input type="checkbox"/> |
| Set <u>82</u> sks cmt from <u>5300</u> ft. to <u>5000</u> ft. | Plug Type: <u>OPEN HOLE</u> | Plug Tagged: <input checked="" type="checkbox"/> |
| Set <u>55</u> sks cmt from <u>1900</u> ft. to <u>1550</u> ft. | Plug Type: <u>OPEN HOLE</u> | Plug Tagged: <input checked="" type="checkbox"/> |

Perforate and squeeze at _____ ft. with _____ sacks. Leave at least 100 ft. in casing _____ CICR Depth
 Perforate and squeeze at _____ ft. with _____ sacks. Leave at least 100 ft. in casing _____ CICR Depth
 Perforate and squeeze at _____ ft. with _____ sacks. Leave at least 100 ft. in casing _____ CICR Depth
(Cast Iron Cement Retainer Depth)

Set 737 sacks half in. half out surface casing from 800 ft. to 0 ft. Plug Tagged:
 Set 5 sacks at surface
 Cut four feet below ground level, weld on plate Above Ground Dry-Hole Marker: Yes No
 Set _____ sacks in rat hole Set _____ sacks in mouse hole

Additional Plugging Information for Subsequent Report Only

Casing Recovered: _____ ft. _____ inch casing Cut and Cap Date: 05/18/2019
 of _____
 *Wireline Contractor: _____ *Cementing Contractor: Cementer's Well Service Inc.
 Type of Cement and Additives Used: _____
 Flowline/Pipeline has been abandoned per Rule 1105 Yes No *ATTACH JOB SUMMARY

Technical Detail/Comments:

 6,100' propped depth was not achieved, approval was granted by Dirk Sutphin to set 1st balance cement plug at 5,300' (Cement was tagged at 5,000')

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.
 Signed: _____ Print Name: Heather Mitchell
 Title: Regulatory Manager Date: 5/28/2019 Email: Regulatory@VerdadOil.com

Based on the information provided herein, this Well Abandonment Report (Form 6) complies with COGCC Rules and applicable orders and is hereby approved.
 COGCC Approved: McFarland, Nick Date: 9/16/2019

CONDITIONS OF APPROVAL, IF ANY: _____

| <u>COA Type</u> | <u>Description</u> |
|-----------------|--------------------|
| | |

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|-----------------------------|
| 2304872 | WELLBORE DIAGRAM |
| 402053187 | FORM 6 SUBSEQUENT SUBMITTED |
| 402053405 | CEMENT JOB SUMMARY |
| 402053411 | CEMENT JOB SUMMARY |
| 402056467 | OPERATIONS SUMMARY |

Total Attach: 5 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|---------------------|
| Engineer | Re-entry PA. Original PA 1952 48 hour ops notice given. Zones and casing history are consistent with well file. Procedure, WBD and tickets are consistent except as noted*. | 09/11/2019 |
| Engineer | sutphindEngineer05/17/201949992402029597123-0563105/17/2019Edit Operator (George) called to request modified plugging orders. They are at 5322 and experiencing gas and heavy mud making it difficult to proceed washing deeper. Approved to set 1st 50 sk cement plug at current depth around 5300. Remainder of approved plugging stays the same. | 09/11/2019 |
| Engineer | *Wellbore diagram makes it appear as if production casing was set in well. Additional, the wellbore diagram shows both a depth of 226' for SC and 350' for SC. Finally, the wellbore diagram claims the surface casing was cemented with 250 sx, while historic records from 1952 and the 6S RA state 140sx. Please correct WBD. (Corrected WBD received 9/13/2019) | 09/11/2019 |

Total: 3 comment(s)